



## TENNESSEE REGISTRY OF ELECTION FINANCE

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### **Contribution Audit of Robert A. Safdie Second and Third Quarter 2006**



**Audit Team:**  
Jay Moeck, CPA, CFE  
Audit Manager

Tabitha D. Peden, CFE  
Senior Auditor

# STATE OF TENNESSEE



REGISTRY OF ELECTION FINANCE  
404 JAMES ROBERTSON PARKWAY, SUITE 1614  
NASHVILLE, TN 37243-1360  
(615) 741-7959  
Fax: (615) 532-8905

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Jay Moeck, CPA, CFE

June 6, 2007

Members of the Registry of Election Finance  
404 James Robertson Parkway, Suite 1614  
Nashville, TN 37243-1360

Ladies and Gentlemen:

Transmitted herewith are the agreed upon procedures for the un-itemized contribution audit of Robert Safdie's second and third quarter financial disclosure reports for his 2006 election campaign for the House of Representatives. This audit was conducted pursuant to the requirements of Section 2-10, *Tennessee Code Annotated*, the Comprehensive Governmental Ethics Reform Act of 2006.

The procedures were developed to aid the Registry of Election Finance in its responsibilities to monitor and enforce Tennessee's Campaign Financial Disclosure Law and Campaign Contribution Limits Law. The candidate is responsible for complying with campaign finance laws and the accuracy of campaign financial disclosures. The sufficiency of these procedures is solely the responsibility of the Registry's internal audit group. Consequently, we make no representation regarding the sufficiency of the agreed upon procedures described in the report for any other purpose than aiding the Registry.

This report is intended for the information and use of the Members of the Tennessee Registry of Election Finance as outlined; and is not intended to be and should not be used by anyone other than the Registry without understanding the objectives, purposes, and underlying assumptions. However, this report is a matter of public record.

Sincerely

Jay Moeck CPA, CFE  
Audit Manager

**STATE OF TENNESSEE**  
**REGISTRY OF ELECTION FINANCE**

**Audit Highlights**

**Robert Safdie**

**2006 Second and Third Quarter Contribution Audit**

**AUDIT OBJECTIVES**

The objectives of the audit were to determine Robert Safdie's compliance with certain provisions of campaign finance disclosure laws and regulations, compliance with certain provisions of campaign contribution limits laws and regulations, accuracy and completeness of the un-itemized contribution disclosures on his 2006 Second and Third Quarter Campaign Financial Disclosure Statements, and to recommend appropriate actions to correct any deficiencies.

**FINDING**

The audit report contains no findings.

Contribution Audit  
Robert Safdie

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# Contribution Audit

## Robert Safdie

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### INTRODUCTION

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#### **AUDIT AUTHORITY**

In February 2006, the Tennessee Legislators and Governor Phil Bredesen enacted the “Comprehensive Governmental Ethics Reform Act of 2006,” which amended Tennessee’s campaign finance disclosure laws and duties of the Registry of Election Finance. The legislation established the audits of campaign disclosure statements. *Tennessee Code Annotated*, Title 2, Chapter 10, Sections 206 and 212, authorize the Registry of Election Finance (Registry) to conduct audits of campaign finance disclosure statements filed with the Registry. The audit was initiated based on *Tennessee Code Annotated*, Title 2, Chapter 10, Section 212 (i), which requires the Registry to audit any candidate that files a disclosure statement with more than 30% of the candidate’s contributions reported as un-itemized contributions and the un-itemized contributions were greater than \$5,000.

#### **AUDIT PURPOSE**

The Registry’s contribution audits were developed to assist and encourage candidate compliance with campaign disclosure laws. The audit process assists the Registry in providing timely and accurate campaign information to government officials and the general public. The Registry’s audits provide a tool to the Registry to evaluate the effectiveness of the campaign financial disclosure process. In addition, the audits assist the Registry with the enforcement of campaign finance limit laws and campaign finance disclosure laws. Finally, the audit reports are intended to assist the candidate and the State of Tennessee in promoting governmental accountability and integrity.

#### **AUDIT SCOPE**

Tennessee’s Campaign Financial Disclosure Law requires candidates to make biannual financial disclosures as of the date of the first contribution or first expenditure, whichever occurs earlier. The biannual report periods are from January 16 to June 30 and July 1 to January 15 of each year. During an election year the disclosures expand to quarterly reports, pre-primary reports, and pre-general reports. This audit relates to disclosures made subsequent to the passage and approval of the Comprehensive Governmental Ethics Reform Act of 2006. The act was approved on February 15, 2006. In addition, the audit relates to only disclosure reports that meet the requirements listed in *Tennessee Code Annotated*, Title 2, Chapter 10, Section 212 (i). Therefore, the audit reviewed only Robert Safdie’s disclosures on his 2006 second and third quarter reports.

## **CAMPAIGN ORGANIZATION**

Robert Safdie was a candidate in the November 7, 2006 general election for the House of Representatives for district 25. Mr. Safdie appointed Dale Safdie as political treasurer. The appointment was filed with the Registry of Election Finance on April 6, 2006.

The candidate's first financial disclosure for the 2006 campaign was the 2006 First Quarter report filed on April 10, 2006. The candidate's most current financial disclosure report was the 2006 Fourth Quarter report, which was filed on January 15, 2007. The 2006 Fourth Quarter report disclosed \$12.83 in cash on hand, \$0.00 in outstanding obligations, and \$0.00 in outstanding loans. As of May 2007, the candidate has not completed his 2006 election campaign reporting requirements. The candidate's next report will be due on July 16, 2007 and will cover the period of January 16, 2007 to June 30, 2007.

## **OVERVIEW OF FINANCIAL ACTIVITIES**

The following financial amounts are a summary of the financial disclosures made by the candidate. The summarized amounts are from the following disclosure reports: 2006 First Quarter, 2006 Second Quarter, 2006 Pre-primary, 2006 Third Quarter, 2006 Pre-general, and 2006 Fourth Quarter reports after amendments. As noted in the audit scope, only un-itemized contributions from disclosures from the 2006 Second and Third Quarters were audited. The amounts displayed are for informational purposes only.

### **Summary of Financial Activity** **(Un-audited Amounts)**

Cash on hand at January 1, 2006		\$0.00
Receipts		
Itemized	22,956.00	
Un-itemized	17,582.00	
Interest	0.00	
Loans receipted	0.00	
Total receipts		<u>\$40,538.00</u>
Disbursements		
Itemized	39,226.26	
Un-itemized	1,298.91	
Loans principal payments	0.00	
Total disbursements		<u>\$40,525.17</u>
Cash on hand at January 15, 2007		<u>\$12.83</u>
Loans outstanding at January 15, 2007		\$0.00
Obligations at January 15, 2007		\$0.00
Total in-kind contributions received		\$1,800.00

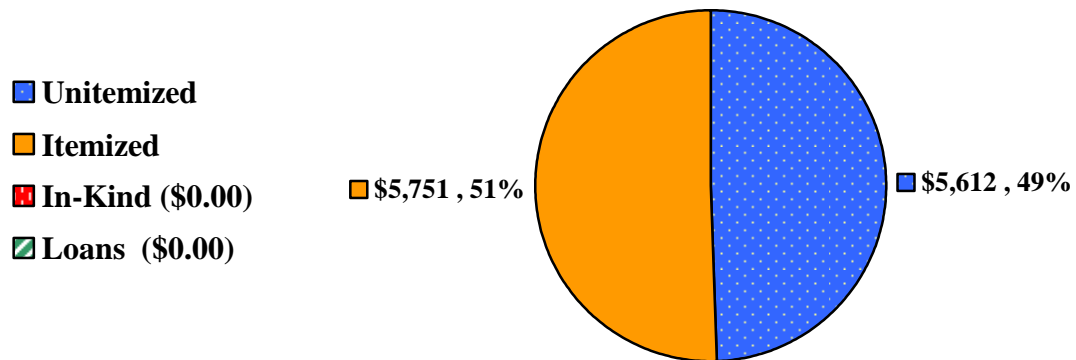
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## CHARTS

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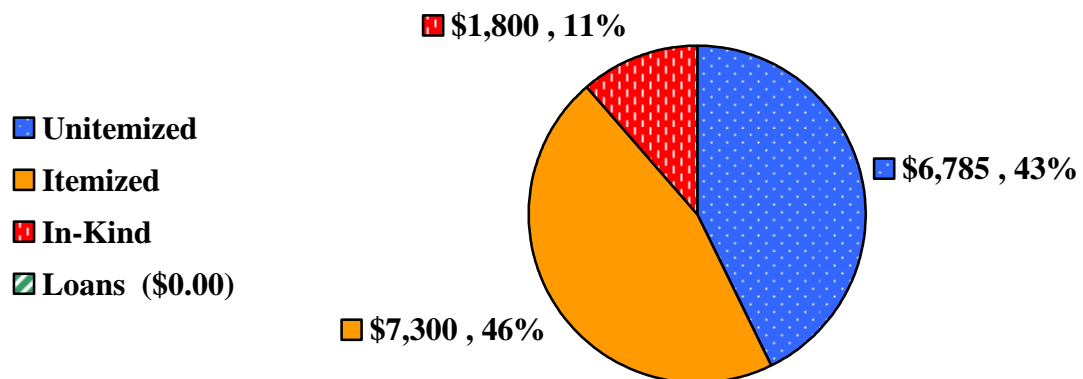
The following chart shows the contributions reported by the candidate in the 2006 second quarter report.

### 2006 Second Quarter Contributions



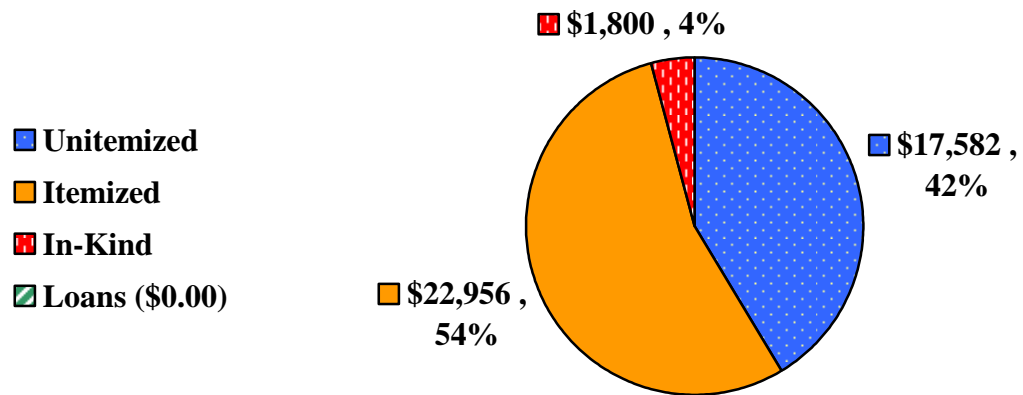
The following chart shows the contributions reported by the candidate in the 2006 third quarter report.

### 2006 Third Quarter Contributions



The following chart shows the contributions reported by the candidate for the 2006 election campaign.

### 2006 Election Contributions



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## OBJECTIVES, METHODOLOGIES, CONCLUSIONS

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### UN-ITEMIZED CONTRIBUTIONS AND RECEIPTS

The objectives of our audit of un-itemized contributions were to determine whether

- campaign contributions from individuals and Political Action Committees (PAC) were within limits;
- all contributions were from non-prohibited sources;
- all contributions received were reported to the Registry, reported in the proper period, in compliance with *Tennessee Code Annotated*, Sections 2-10-105 and 2-10-107, and in compliance with the Registry's rules; and
- all contributions were supported by bank statements and deposit slips.

We obtained the candidate's 2006 Second and Third Quarter Campaign Financial Disclosure Statements and verified that the un-itemized contributions were greater than \$5,000 and 30% of the total contributions reported. We requested Robert Safdie to provide supporting documentation for the un-itemized contributions of \$5,612.00 and \$6,785.00 that were reported on his 2006 Second Quarter and 2006 Third Quarter Campaign Financial Disclosure Statements. The candidate provided bank statements, deposit slips, copies of campaign checks, and other supporting documentation for the un-itemized contributions reported. In addition, we prepared a listing of un-itemized contributions. We compared the listing to the bank statements to determine if the candidate deposited and recorded all funds properly into a campaign account. We listed un-itemized contributions by contributor and compared them to the candidate's itemized contributions reported during the election to determine if campaign contributions from individuals and PACs complied with Tennessee's campaign contribution limits laws. We reviewed the un-itemized contributions listing to determine if the candidate reported all contributions, reported all receipts received to the Registry, reported in the proper period, and complied with *Tennessee Code Annotated*, Sections 2-10-105 and 2-10-107 and the Registry's rules.

The candidate's completed 2006 Second Quarter Amended on July 10, 2006 and 2006 Third Quarter Amended on January 12, 2007 reports had un-itemized contributions greater than \$5,000 and 30% of the total contributions. Based on the listing of un-itemized contributions prepared from the candidate's campaign records, it appears that un-itemized contributions reported for the 2006 Second Quarter and 2006 Third Quarter were received and deposited into his campaign account. In addition, the candidate's disclosed un-itemized contributions appear to comply with campaign finance laws and Registry's rules.

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## **RESOLUTIONS**

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### **REGISTRY OF ELECTION FINANCE ACTIONS**

The Members of the Registry of Election Finance reviewed the 2006 contribution audit of Robert Safdie during the June 13, 2007 regular monthly meeting. The report contained no findings for corrective actions. The Registry voted to accept and approve the audit report with no further action.